



Chattanooga Gas Company

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Chattanooga, TN 37416
Telephone 1-800-427-5463

REC'D TN
REGULATORY AUTH.

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March 8, 2001

OFFICE OF THE
EXECUTIVE SECRETARY

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville Tennessee 37243-0505

Dear Mr. Waddell

01-00147

In response to the Tennessee Regulatory Authority's request for information dated March 1, 2001, Chattanooga Gas Company hereby submits the following reply.

Item 1: Provide the percentage storage that remains in your inventory as of January 31, 2001, including LNG. (This information is to be filed by month through April 2001.)

Response:

January 58.0%
February 59.8%

Item 2: Provide, for the month of January 2001, the number of customers that were curtailed. When did their curtailment start and stop? Do you expect to curtail any customers during the coming months? (This information should be filed by month through April 2001.)

Response:

During the months of January 2001, all 55 Interruptible (L-1) customers were curtailed a total of 25 days during the following periods.

January 1-4
January 8-9
January 13-31

Chattanooga Gas Company did not curtail any customers during February 2001.

Chattanooga Gas Company does not expect to curtail any customers through the remainder of the 2000-2001 heating season.

Item 3: Do you foresee any problems serving your firm customers for the remainder of this heating season?

Response: No

Item 4: Explain how the current gas prices affect your base rates? Will your company experience any increase in its rate of return due to the increase in weather related sales volumes and the price of gas? Do any of your current tariff rates (customer charges or per therm rates) include gas cost components? If so, explain which rates and the amount of gas cost included.

Response:

The current gas price does not affect Chattanooga's base rates.

Chattanooga Gas Company will not experience an increase in its rate of return due to the increase in weather related sales volumes and the price of gas. The Weather Normalization Adjustment (WNA) is designed to offset the impact of abnormal weather. Both conservation efforts brought about by the high gas cost and the curtailment of interruptible customers reduce revenues from base tariff rates.

Chattanooga Gas Company's current base tariff rates do not include any gas component. The cost of gas is recovered through the PGA.

Item 5:

When do you foresee your next PGA filing? Will your next PGA filing show a decrease over current levels? Below, provide the monthly balances in the Company's deferred gas cost account, showing the over and under collection each month. (This information should be filed by month through April 2001.)

Response:

Chattanooga Gas Company anticipates a PGA filing for each month in the foreseeable future.

The PGA filing to be effective April 1, 2001 reflects a decrease of approximately 34% from the peak level in February 2001.

The (Over) Under collections and the balance in the deferred gas cost account for the current fiscal year are:

Month	\$(Over) Under Collection	\$ Balance (Over) Under
Oct-00	\$2,585,661.69	\$ 7,660,619.00
Nov-00	(2,279,879.53)	5,380,739.47
Dec-00	(3,196,475.11)	2,184,264.36
Jan-01	2,177,435.88	4,361,700.24
Feb-01		
Mar-.1		
Apr-01		

The balance includes accrued interest.

Item 6: Provide a "sample" copy of a customer's bill that shows special notes or information about high gas prices and how to obtain assistance or extended payment plans.

Response: The following is to be included as a bill insert.

IMPORTANT INFORMATION - PLEASE READ



Chattanooga Gas Company

In recent months, wholesale natural gas prices have been at record highs, nationally. Chattanooga Gas Company shares your concern about the cost of natural gas, and would like to encourage you to conserve energy in the coming months.

If you or someone that you know is in need of **financial assistance** for their natural gas bills, we would like to urge you to get help. Many non-profit associations offer assistance and special programs designed to help consumers with their energy bills. Here is a partial list of organizations that might be able to help you:

First Call For Help, a clearinghouse with a database of community resources: (423) 265-8000

Low-Income Home Energy Assistance Program, Chattanooga Human Services Department (during winter heating season only): (423) 757-5227

In addition, our **Customer Care Center** is available at 1-800-427-5463 to help you:

- Make payment arrangements on your gas bill; or
- Declare that you have a medical illness and are under a doctor's care.

Item 7: Does your company waive any late fees or charges as part of its payment plan options?

Response: No.

Item 8: Are customers who have been late in making payments or disconnected for non-payment reported to an outside "credit agency?" Does your company contact a credit agency on slow or no pay customers?

Response:

Accounts are charged off 60 days after the final bill is rendered. Bad debts starting at \$11.00 are placed with collection agencies for collections. Accounts with bad debts exceeding \$49.99 are reported to the major Credit Bureaus.

Item 9: Does the company have its own internal credit rating program? And if so, explain how it works and what happens to those late pay or no pay customers?

Response: Yes. The following is a summary of Chattanooga Gas Company's internal credit rating program.

The credit rating of a customer's account is based upon monthly payment history. Each month the account is scored using the following criteria.

Monthly score:

- 1 = Customer paid balance prior to due date on bill**
- 3 = Customer paid balance after due date on bill, but before next billing**
- 6 = Customer did not pay balance before next billing**
- 8 = Customer was turned off for non-payment of bills**
- 9 = Customer had a returned check on the account during the month**

The Customer Information System (CIS) maintains a rolling twelve-month history on each account. The monthly score for each of the most recent twelve months is "weighted." The weighted monthly scores are then totaled. The sum of the weighted scores for the most recent twelve months determines the account's credit rating. The "weighting" of each month is as follows:

**Current month = Score X 3
Previous 2 months = Score X 2
Remaining 9 months = Score only**

The customer's account is then assigned a credit rating of A-F as follows:

- "A" if the sum of twelve months scores is less than 20**
- "B" if the sum of twelve months scores is more than 20 and less than 33**
- "C" if the sum of twelve months scores is more than 33 and less than 48**
- "D" if the sum of twelve months scores is more than 48 and less than 56**
- "E" if the sum of twelve months scores is more than 56 and less than 65**
- "F" if sum of twelve month scores is more than 65**


A customer, who's credit rating is either A or B will not be issued a final notice unless the unpaid bill is over \$150.

A customer, with less than 12 months service history who's credit rating is C will not be issued a final notice unless the unpaid bill is over \$50.

A customer with over 12 months service history, who's credit rating is C or D will not be issued a final notice unless the unpaid bill is over \$100.

A customer, who's credit rating is E or F will be issued a final notice if the unpaid bill is over \$50.

Sincerely,



Chattanooga Gas Company
William H. Novak